

CARMAN, CALLAHAN & INGHAM, LLP
266 MAIN STREET
FARMINGDALE, NEW YORK 11735

WILLIS B. CARMAN, JR.
MICHAEL F. INGHAM^{*,†}
GREGORY W. CARMAN, JR.
JAMES M. CARMAN[‡]
PETER F. BREHENY
STEPHANIE L. BODEN
PAUL A. BARRETT
WILLIS B. CARMAN

TEL: (516) 249-3450 FAX: (516) 843-6390

Writer's Direct Dial: (516) 370-5539
www.carmancallahan.com

HON. WILLIS B. CARMAN, SR.
FIRM'S FOUNDER (1928-1986)

July 6, 2010

Clerk of the Bankruptcy Court
United States Bankruptcy Court
701 East Broad Street Room 4000
Richmond, VA 23219

Skadden, Arps, Slate, Meagher & Flom, LLP
One Rodney Square
P.O. Box 636
Wilmington, DE 19899-0636
Attn.: Gregg M. Galardi
Attn.: Ian S. Fredericks

Skadden, Arps, Slate, Meagher & Flom, LLP
155 North Wacker Drive
Chicago, IL 60606
Attn.: Chris L. Dickerson

McGuirewoods LLP
One James Center
901 E. Cary Street
Richmond, VA 23219
Attn.: Douglas M. Foley
Attn.: Sarah B. Boehm

Re: Circuit City Stores, Inc., et al.,
Chapter 11
Case No.: 08-35653 (KRH)
Notice of Debtors' Seventy-Ninth Omnibus Objection to Claims
(Disallowance of Certain Legal Claims)

Dear Sir or Madam:

Please be advised our office has been retained by Progressive Insurance Company to pursue Circuit City Stores, Inc. in regards to the property damage claim on behalf of their insured, Aaron C. Hornstra.

Pursuant to the guidelines of the United States Bankruptcy Court for the Eastern District of Virginia, enclosed you will find the our Response to the Notice of Debtors' Seventy-Ninth Omnibus Objection to Claims (Disallowance of Certain Legal Claims) and our supports for our claim against the Defendant, Circuit City Stores, Inc.

TRACY S. REIFER
‡ MICHAEL M. BURKART
‡ SUSAN CARMAN
CRAIG STABENAU
VASSILIOS F. PROUSSALIS
ADEEL JAMALUDDIN
JENNIFER L. ZEIDNER
NAFTALI T. HALPERN
CHRISTOPHER G. DOERING
JEFFREY P. SAXON
‡ DARA C. GOODMAN
WILLIAM C. LAMBOLEY
‡ JOHN P. MARTORELLA
‡ JAMI C. AMARASINGHE
EVELINA K. POPIJAKOWSKA
‡ SANTOSH N. CHITALIA
LAUREN M. PIACENTINI
DAVID J. BLISS
‡ JOSEPH A. NIEMCZYK
JACOB A. GOINS
ANNE P. O'BRIEN

*** ALSO ADMITTED IN FL**
‡ ALSO ADMITTED IN PA
‡ ALSO ADMITTED IN NJ
‡ ALSO ADMITTED IN CT

Hornstra v. Circuit City Stores, Inc.
Page 2 of 2

July 6, 2010

In accordance with the terms of the automobile insurance policy maintained by Aaron C. Hornstra, Progressive Insurance Company issued payment in the amount of Seventeen Thousand Two Hundred Thirty Four (\$17,234.03) Dollars and Three Cents, not including the Five Hundred (\$500.00) Dollar deductible for the property damage sustained as a result of the Defendant, Circuit City Stores, Inc. negligent installation of the aftermarket device within Mr. Hornstra's motor vehicle. This action seeks reimbursement of these funds.

We have enclosed the following documentation in support of our claim against the Defendant, Circuit City Stores, Inc.:

- A) A Copy of the Summons and Complaint and Affidavit of Service filed with the Supreme Court of the State of New York, County of Nassau.
- B) Annexed hereto is the Lange Technical expert report with photographs of the subject vehicle
- C) Annexed hereto is the New York Affidavit of Vehicle Fire of Plaintiff's insured, Aaron Hornstra detailing facts of the loss
- D) Annexed hereto is the Syosset Fire Department Report
- E) Annexed hereto is the Letter of Guarantee from VW Credit
- F) Annexed hereto is Proof of Payment to VW Credit, and Adesa Impact
- G) Annexed hereto is the Estimate for the 2005 Volkswagen Jetta Damages
- H) Annexed hereto is the Progressive Total Loss Settlement Report
- I) Annexed hereto is the Vehicle Service History Report and Service Invoices
- J) Annexed hereto is Circuit City Customer Search Screen for the Sirius Radio System

Should you have any questions, please feel free to contact me at Carman, Callahan & Ingham, LLP, 266 Main Street, Farmingdale, New York 11735. Please reference our file number, 1200-2420. My direct line is (516) 370-5583.

Very truly yours,

CARMAN, CALLAHAN & INGHAM, LLP

Jami C. Amarasinghe, Esq.

JCA/kh
Enclosure(s)

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NASSAU

-----X
PROGRESSIVE INSURANCE COMPANY a/s/o
AARON C. HORNSTRA,

Plaintiff,

-against-

CIRCUIT CITY STORES, INC.,

Defendant.
-----X

Index No.: 08-013826

Date Purchased: 7/25/08

Plaintiff Designates
County Of Nassau
as the Place of Trial

The Basis of Venue is
Location of the Accident

SUMMONS

Plaintiff's Business at:
Progressive Insurance Company
5920 Landerbrook Drive
Mayfield Heights, OH 44124

To the above named Defendant(s):

YOU ARE HEREBY SUMMONED to answer the Complaint in this action and to serve a copy of your Answer, or, if the Complaint is not served with this Summons, to serve a Notice of Appearance, on the Plaintiff's attorneys within 20 days after the service of this Summons, exclusive of the day of service (or within 30 days after the service is complete if this Summons is not personally delivered to you within the State of New York); and in case of your failure to appear or answer, judgment will be taken against you by default for the relief demanded in the Complaint.

Dated: Farmingdale, New York
July 16, 2008

CARMAN, CALLAHAN & INGHAM, LLP

By: _____

CHRISTOPHER G. PERSAD, ESQ.

Attorneys for Plaintiff

PROGRESSIVE INSURANCE COMPANY
a/s/o AARON C. HORNSTRA
266 Main Street
Farmingdale, New York 11735
(516) 249-3450 - Tel.
(516) 843-6390 - Fax
File No.: 1200-2420

Defendant(s) Address (es):

Circuit City Stores, Inc.
9950 Mayland Drive
Richmond, Virginia 23233-1464

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NASSAU

-----X
PROGRESSIVE INSURANCE COMPANY a/s/o
AARON C. HORNSTRA,

Plaintiff,

Index No.:

-against-

VERIFIED COMPLAINT

CIRCUIT CITY STORES, INC.,

Defendants.

-----X
Plaintiff, PROGRESSIVE INSURANCE COMPANY a/s/o AARON C. HORNSTRA, by
its attorneys, CARMAN, CALLAHAN & INGHAM, LLP., complaining of the above-named
Defendant, sets forth upon information and belief the following:

1. Plaintiff, PROGRESSIVE INSURANCE COMPANY (hereinafter
"PROGRESSIVE"), is a domestic corporation duly authorized to carry on an insurance business
in Mayfield Heights, Ohio.

2. Defendant, CIRCUIT CITY STORES, INC. (hereinafter "CIRCUIT CITY"), is a
domestic corporation, duly organized and existing under the laws of the State of New York to
transact business within the State of New York.

3. Defendant, CIRCUIT CITY, is a domestic corporation which contracts to supply
goods and services in the State of New York.

4. Defendant, CIRCUIT CITY, is a domestic corporation which regularly conducts
business in the State of New York or derives substantial revenue from goods used or consumed
or services rendered in the State of New York.

5. Defendant, CIRCUIT CITY, is a domestic corporation which owns, uses or
possesses real property situated within the State of New York.

6. At all times hereinafter mentioned, Defendant CIRCUIT CITY, its agents,
servants and/or employees, was and still are engaged in the business of advertising, distributing,
marketing, and installing after market products for the "2005 VW Jetta" motor vehicle.

7. At all times hereinafter mentioned, Plaintiff's subrogor, Aaron C. Hornstra was the lawful owner of the "2005 VW Jetta" motor vehicle.

8. At all times hereinafter mentioned, Aaron C. Hornstra maintained an automobile insurance policy with PROGRESSIVE INSURANCE COMPANY. That policy is identified as Policy Number 18077285 and provides insurance coverage for the "2005 VW Jetta" motor vehicle.

9. The policy of insurance issued by PROGRESSIVE was in full force and effect on April 20, 2007.

10. On or about April 20, 2007, a fire was caused to ignite in the subject motor vehicle due to the negligent installation of the aftermarket devices found within the subject motor vehicle, which is evident in this incident.

11. Pursuant to the terms of the automobile insurance policy maintained by Aaron C. Hornstra, Plaintiff PROGRESSIVE, issued payment in the amount of Seventeen Thousand Two Hundred Thirty Four (\$17,234.03) Dollars and Three Cents minus the Five Hundred (\$500.00) Dollar deductible for the property damage sustained as a result of the Defendant's negligence.

AS AND FOR A FIRST CAUSE OF ACTION

12. Plaintiff, PROGRESSIVE, repeats and reiterates each and every allegation of Paragraph "1" through "11" above with the same force and effect as though fully set forth herein.

13. The loss to the subject motor vehicle was caused due to the carelessness, negligence, wanton, and willful disregard on the part of the Defendant, without any negligence on the part of the Plaintiff.

14. The loss was due solely to the negligence of the Defendant, its agents, servants, and/or employees in installation, manufacturing, designing, and selling the aftermarket devices found within the subject motor vehicle.

15. Due to the negligence of the Defendants, Plaintiff, PROGRESSIVE was required to pay Seventeen Thousand Two Hundred Thirty Four (\$17,234.03) Dollars and Three Cents not including the Five Hundred (\$500.00) Dollar deductible, the adjusted value of the subject motor vehicle paid to its insured, Aaron C. Hornstra.

AS AND FOR A SECOND CAUSE OF ACTION

16. Plaintiff PROGRESSIVE repeats and reiterates each and every allegation of Paragraphs "1" through "15" above with the same force and effect as though fully set forth herein.

17. Prior to the date of loss, Plaintiff's subrogor entered into a contract with the Defendants which related to the installation of aftermarket devices in the subject motor vehicle.

18. Plaintiff's subrogor paid the Defendant valuable consideration for the installation of the aforementioned aftermarket devices.

19. Defendant represented to Plaintiff's subrogor that the installation was in good working order and free from any defects.

20. The Plaintiff's subrogor, Aaron C. Hornstra exercised reasonable care in the utilization of the aftermarket products and used it for the purpose it was intended.

21. Defendant breached its contract with Plaintiff's subrogor as the installation was not up to standards to be used as intended.

22. That as a result of the Defendant's breach of contract, the Plaintiff's subrogor sustained damage on April 20, 2007. The damage to the subject motor vehicle was directly related to the Defendant's breach of contract.

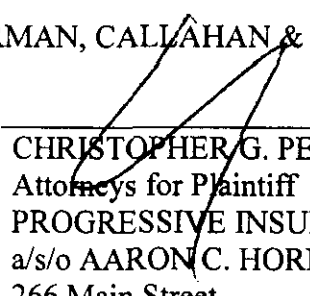
23. That all of the foregoing was caused by the Defendant, and Plaintiff PROGRESSIVE is entitled to Seventeen Thousand Two Hundred Thirty Four (\$17,234.03) Dollars and Three Cents, plus interest, costs, and other related disbursements.

WHEREFORE, Plaintiff PROGRESSIVE INSURANCE COMPANY a/s/o AARON C. HORNSTRA, demands judgment against the Defendant CIRCUIT CITY STORES, INC. on the

First Cause of Action in the amount of Seventeen Thousand Two Hundred Thirty Four (\$17,234.03) Dollars and Three Cents, on the Second Cause of Action in the amount of Seventeen Thousand Two Hundred Thirty Four (\$17,234.03) Dollars and Three Cents, together with interest, costs, and other related disbursements of this action.

Dated: July 16, 2008
Farmingdale, New York

CARMAN, CALLAHAN & INGHAM, LLP.

By: 
CHRISTOPHER G. PERSAD, ESQ.
Attorneys for Plaintiff
PROGRESSIVE INSURANCE COMPANY
a/s/o AARON C. HORNSTRA
266 Main Street
Farmingdale, New York 11735
(516) 249-3450 – Tel.
(516) 843-6390 – Fax
1200-2420

VERIFICATION

STATE OF NEW YORK)

s.s.

COUNTY OF NASSAU)

CHRISTOPHER G. PERSAD, ESQ., an attorney duly admitted to practice law in the Courts of the State of New York, affirm that I associated with the law firm CARMAN, CALLAHAN & INGHAM, LLP., attorneys of record for the Plaintiff, PROGRESSIVE INSURANCE COMPANY a/s/o AARON C. HORNSTRA., in the within action; that I have read the foregoing Summons and Complaint and know the contents thereof; that the same is true to my knowledge, except as to the matters therein stated to be alleged on information and belief, and that as to those matters I believe them to be true. I further say that the reason this Verification is made by me and not by the Plaintiffs is that the Plaintiffs do not reside within the County of Nassau where I maintain my office.

The grounds of my belief as to all matters not stated upon my knowledge are as follows: the records of the plaintiffs made available to me.

I affirm that the foregoing statements are true, under penalties of perjury.

Dated: July 16, 2008
Farmingdale, New York

By: 

CHRISTOPHER G. PERSAD, ESQ.
Attorneys for Plaintiff
PROGRESSIVE INSURANCE COMPANY
a/s/o AARON C. HORNSTRA
266 Main Street
Farmingdale, New York 11735
(516) 249-3450 -- Tel.
(516) 843-6390
File No.: 1200-2420

SAMSERV, INC. PROCESS SERVICE 140 CLINTON STREET BROOKLYN NY 11201 (718) 875-1133 LICENSE # 0: 29611

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NASSAU

PROGRESSIVE INSURANCE COMPANY a/s/o
AARON C. HORNSTRA.

Plaintiff.

-against-

CIRCUIT CITY STORES, INC.,

Defendant.

STATE OF NEW YORK
COUNTY OF KINGS

Atty. CARMAN 1200-2420
Index # 013826-08
D.O.P. 07-25-08
AFFIDAVIT OF SERVICE
(SECRETARY OF STATE)

RECEIVED

AUG 07 2008

**NASSAU COUNTY
COUNTY CLERK'S OFFICE**

MICHAEL ROTH residing in ALBANY COUNTY, being duly sworn, deposes and states that I am over the age of eighteen years, is not a party to this action, and has personal and firsthand knowledge of all matters stated herein.

That on the 1ST day of AUGUST, 2008, at approximately the time of 8:45 am at 41 State Street, Albany, New York deponent served the within X SUMMONS AND VERIFIED COMPLAINT with index #/date endorsed thereon on CIRCUIT CITY STORES, INC., defendant, a DOMESTIC CORPORATION, by delivering thereat two true copy of each to MS. DONNA CHRISTIE personally, deponent knew said Corporation so served to be the Corporation, described in same as said defendant and thereof to accept knew said individual to be the designated clerk for the Secretary of the State of New York.

The description of the individual I served is as follows:

Male X Female
X White Skin Black Skin Yellow Skin Brown Skin Red Skin
Black Hair Brown Hair X Blonde Hair Gray Hair Red Hair White Hair
Balding Mustache Beard Glasses
14-20Yrs 21-35Yrs X 36-50Yrs 51-60Yrs Over 60Yrs
X Under 5'0" 5'0"-5'3" 5'4"-5'8" 5'9"-6'0" Over 6'0"
Under 100Lbs X 100-130Lbs 131-160Lbs 161-200Lbs Over 200Lbs

Mailing: On AUGUST 4TH, 2008

Pursuant to Section 306 of the Business Corporation Law and Section 3215 of the CPLR, I served an additional copy of the papers stated herein by regular mail to:

80 STATE STREET, ALBANY, NEW YORK, 12207 together with a notice that service was made on the Secretary of State, Section 306 of the Business Corporation Law.

Sworn to before me this

5th day of Aug, 2008.

WILLIAM MLOTOK
NOTARY PUBLIC, State of New York
No. 01ML5045548
Qualified in Nassau County
Commission Expires June 19, 2011

[Signature]

NORTH EASTERN TECHNICAL SERVICES, INC.

P.O. Box 5150
FALL RIVER, MA 02723
1-508-675-0999, 1-508-677-3133 FAX
WEB SITE: NETSEXAM.COM
E-MAIL: NETS@NETSEXAM.COM

Cause & Origin

DATE	JULY 10, 2007
NETS FILE #	07-0851
FILM #	052907

INSURANCE CO. ADDRESS	PROGRESSIVE INSURANCE 75-20 ASTORIA BLVD STE 320 E ELMHURST NY 22370
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CLAIM REP. CLAIM No #	NICK CELLI 071213997
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OWNER'S NAME	AARON HORNSTRA
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TYPE OF VEHICLE VIN # COLOR	2005 VW JETTA 3VWSE69M45M042479
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LOCATION SALVAGE POOL LOT #	ADESA, MEDFORD NY HUZ22
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SPECIAL INSTRUCTIONS:

VERBAL: GIVEN

DATE: 5/29/07

NORTH EASTERN TECHNICAL SERVICES, INC.

VIN CHECK

VIN #: 3VWSE69M45M042479

DIGIT	DESCRIPTION	MEANING
3	COUNTRY OF ORIGIN	MEXICO
VW	MANUFACTURER	VW
S	SERIES	JET GLS 4DR /JET GLS 4DR SW /N /JET
E	ENGINE	1.8L 4 CYL 180HP /2.0L 4 CYL DSL
6	RESTRAINT SYSTEM	DR/PASS AIRBAG &SD &SD CRTN FRNT
9M	MODEL	JETTA
4	CHECK DIGIT	VALID
5	YEAR	2005
M	ASSEMBLY PLANT	PUEBLA MEXICO
042479	SEQUENCE NUMBER	IN RANGE

***** VIN PASSED TEST *****

VIN INDICATES A 2005 VW JETTA

Note: if sequence number is out of range, this may be due to a lag in the software. We recommend checking with NICB, as their system is more current.

TO: NICK CELLI
PROGRESSIVE INSURANCE

RE: AARON HORNSTRA
2005 VW JETTA

REPORT

VEHICLE EXAMINED:

The vehicle was a 2005 VW Jetta with VIN # 3VWSE69M45M04247. This information was used to identify the vehicle to be examined.

LOCATION:

The vehicle was located at Adesa in Medford NY. This was the same location at which the vehicle was to be examined.

PRELIMINARY:

As per your request, on 5/10/07 and 5/29/07, I traveled to the above mentioned location and examined the above captioned vehicle. Its VIN, year, make and model identified the vehicle. The purpose of this examination was to determine the cause and origin of the fire the vehicle suffered. The vehicle had no reported repairs or problems. Present at the second exam was Scott Bytheway from Volkswagen of America Inc. Both examinations were performed in a nondestructive manner so as to preserve all evidenced for possible further testing.

EXTERIOR EXAMINATION:

Examining the exterior, I found that the vehicle had been for the most part consumed by the fire. All the glass in the vehicle was found to have been melted and broken as a result of the fire. The fire destroyed the vehicle's front tires. The rear tires were slightly fire damaged from exposure but still inflated. Aftermarket antenna type wiring was visible on the left front roof rail area adjacent to the drivers' door along with a circle type mark on the roof consistent with a magnetic type antenna having been present at the time of the fire. The burn patterns found to the vehicle exterior were consistent with the fire having evolved within the passenger compartment front dash area. The right front door was found to have patterns consistent with the door having been at least partly open at the time of the fire. Paint and cosmetics still remained on the rear portion of the vehicle with the front area of the vehicle having been completely destroyed by the fire. The hood and trunk was found to have mechanical type damage consistent with fire suppression procedures.

INTERIOR EXAMINATION:

Examining the interior, I noted that the compartment was completely destroyed by the fire. The overall burn patterns found pointed the dashboard as having the heaviest fire related damage. The electrical wiring in the dash area was examined. Shorting, beading and stiff wiring was found in the area of the left side fuse panel. This shorted, beaded and stiff wiring was found to have continued to the mid dash area. Further examination of the electrical wiring showed a large clump of aftermarket type wiring in the left fuse panel area. The wiring remains appeared to have traveled to the mid dash area. The exact location of the aftermarket component is unknown at

this time. The remains of a circuit board were found in the center dash area floor. In speaking with the claim rep as to what aftermarket components were installed on this vehicle it was indicated that Circuit City had installed a Sirius radio. The exact date of installation is unknown at this time. In the trunk of the vehicle was found a large number of items including golf clubs and accessories, tennis rackets, a basketball, a solar type charger, shoes etc. A sample was removed from the right front floor for accelerant testing.

ENGINE COMPARTMENT EXAMINATION:

The engine compartment of the vehicle was examined. Fire related damage was noted to the compartment with burn pattern found consistent with the fire having entered this compartment via the firewall and windshield area. Some components such as the radiator were found in the passenger compartment.

Some of the systems in the engine compartment that held ignitable fluids were found to have been consumed by the fire. This would have added to the intensity of the fire damage found in this compartment. Examination of the electrical wiring in this compartment showed no signs of electrical fire having evolved within this compartment. The engine oil level was found to be at to near full.

The vehicle undercarriage was examined and found to have some fire related damage with the heaviest damage to the left lower engine compartment area. The damage found was closely examined and found to be consistent with having been as a result of the fuel lines having been consumed as a result of the fire. The fire damage traveled along the fuel line on the left side of the undercarriage and is the main cause of the undercarriage damage found. No indications were found in the engine compartment that the fuel lines were involved in the cause of this fire; the fire damage to the engine compartment was also insufficient to indicate this. The vehicle oil filter was removed for testing.

CONCLUSION:

ORIGIN:

Based on the burn patterns observed, this fire was found to have started in the passenger compartment of the vehicle. The area of origin was in the left to center of the dash; this is the area in which stiff, brittle and overheated wiring was found.

CAUSE:

After all available information was reviewed the fire was determined to have been accidental electrical in nature. The aftermarket Sirius wiring found is the most probable cause of this fire.

The persons who installed this component should be notified before any further testing is conducted for a possible mutual examination.

Should further information become available after the completion of this examination that may be pertinent to this file, please forward it to our office for review and possible further action. Should you have any further questions in reference to this file, please do not hesitate to contact our office at your earliest convenience.

Richard J. Pacheco, BCFE, CFEI, MFE, CFL
Master Forensic Examiner
Fellow, American College of Forensic Examiners
Diplomate, Board Certified Forensic Examiner
Independent Consultant

Terry Corrinne, CFEI
Forensic Analyst
ASE Certified Master
Technician

Liberal Oliveira, CFL, IL, CFII, CFEI
Senior Forensic Analyst
ASE Certified Technician
Certified RI Auto Inspector
Oil Filter Technician

Manuel Ferreira
Licensed Electrician
Forensic Analyst
Dive Team Leader

Douglas Delaney, FL
Forensic Analyst
ASE Certified Master
Technician

*Jonathan Costa, CFEI, CFL
Forensic Analyst
ASE Certified Master Technician
Oil Filter Technician

Jerome Levine, CIL, CFL
Forensic Analyst

Jay Janak
ASE Certified Technician
Forensic Analyst

Robert Desmarais
Forensic Analyst
Heavy Equipment Specialist
Marine Engine Mechanic

EXAMINATION CONDUCTED 5/10/07:

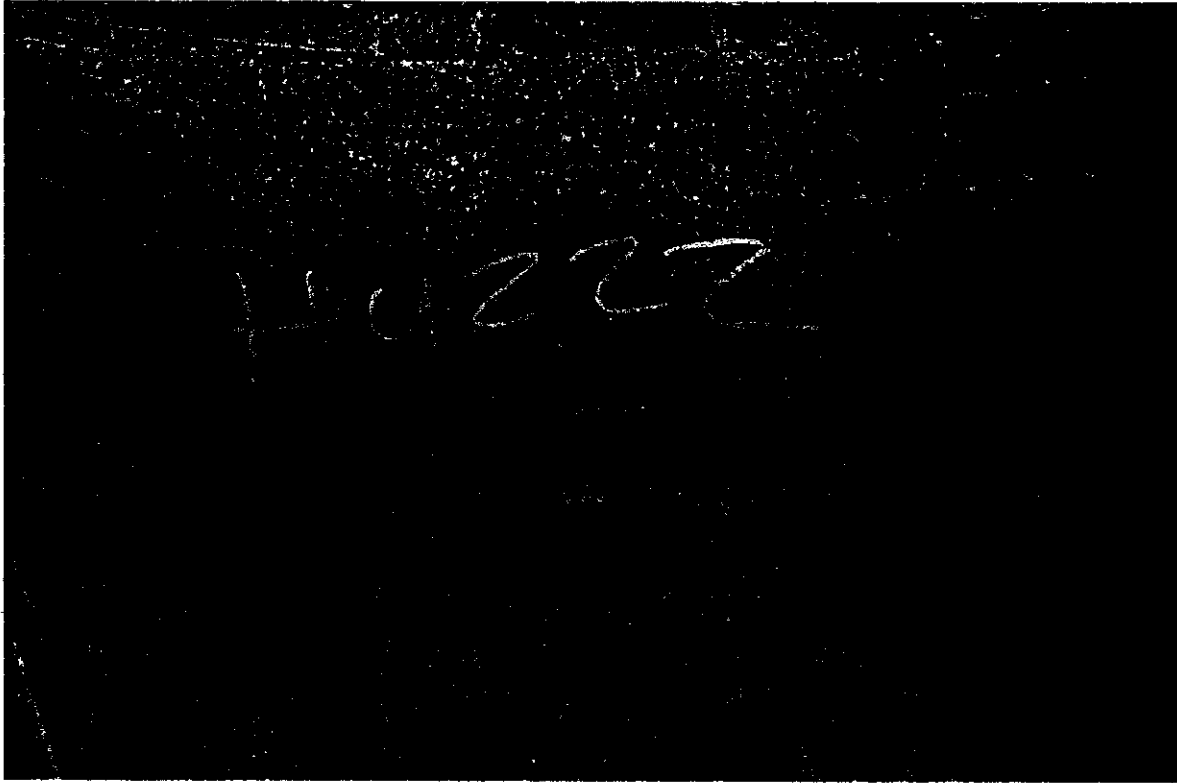


Photo # 1 STOCK NUMBER



Photo # 2 FRONT VIEW



Photo # 3 LEFT SIDE VIEW



Photo # 4 REAR VIEW



Photo # 5 RIGHT SIDE VIEW

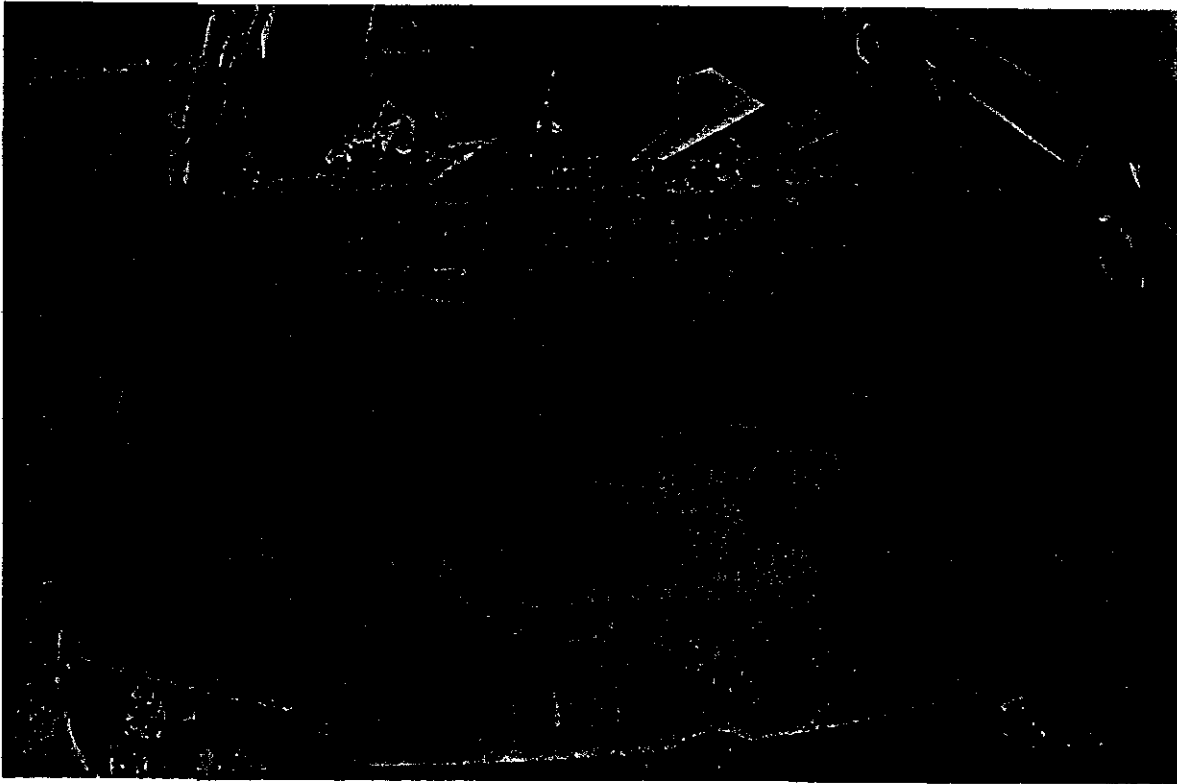


Photo # 6 TOP OF HOOD

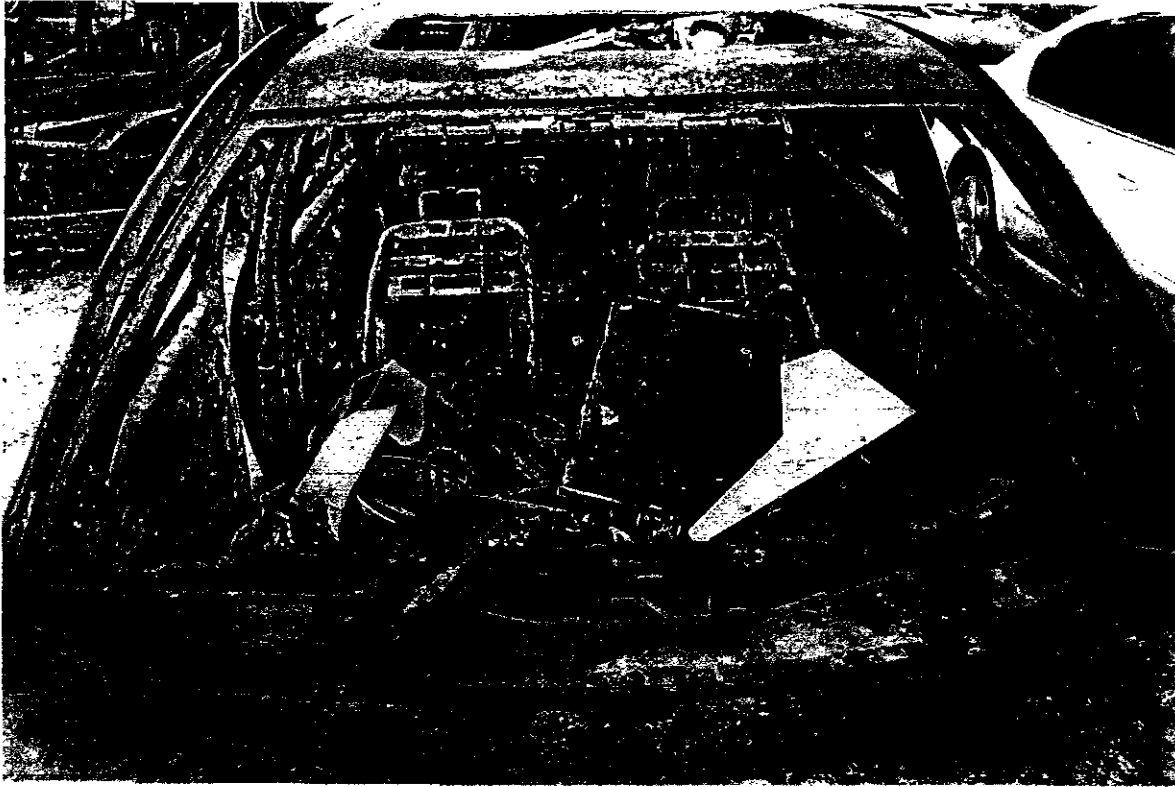


Photo # 7 FRONT VIEW OF INTERIOR

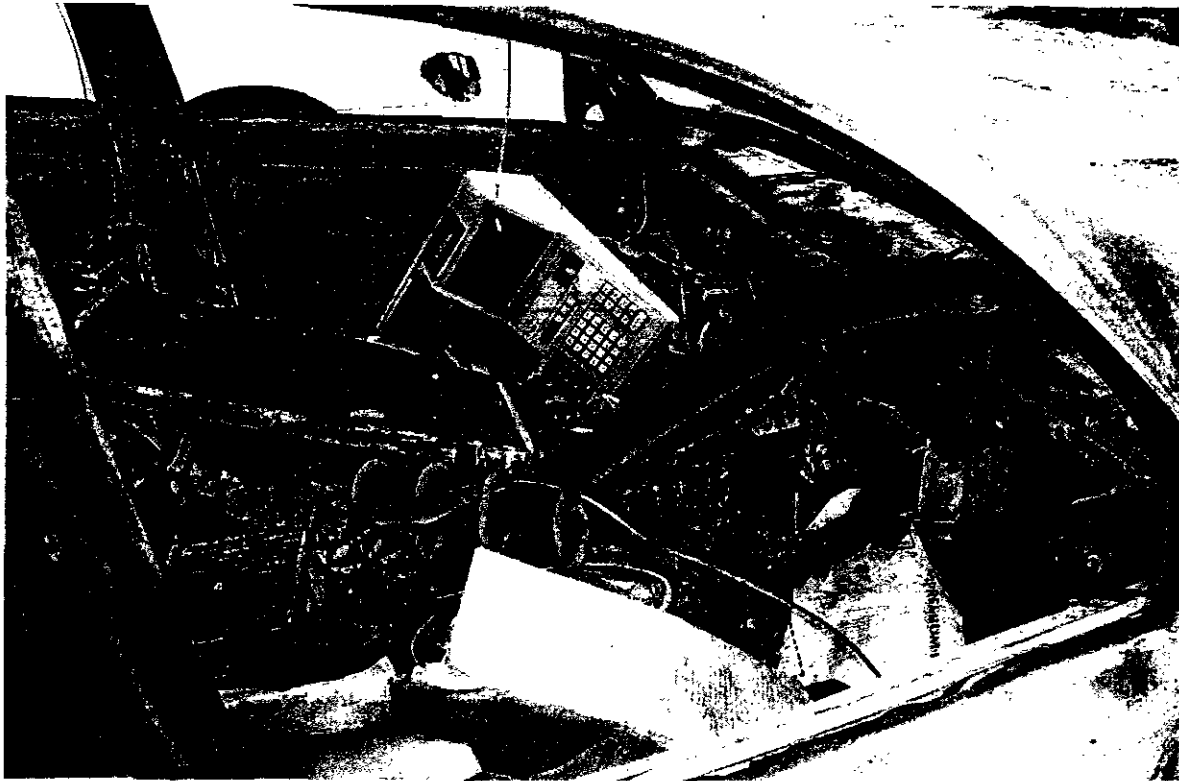


Photo # 8 INTERIOR FRONT

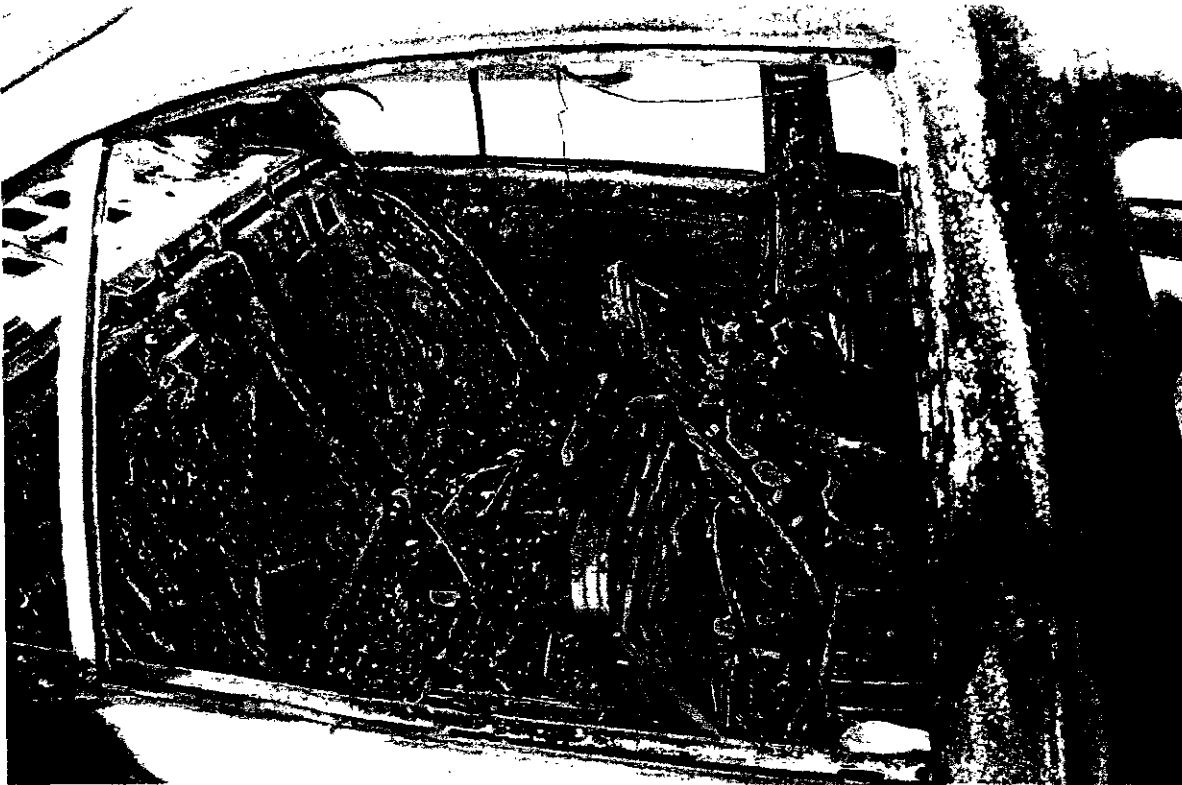


Photo # 9 INTERIOR REAR



Photo # 10 REAR VIEW OF INTERIOR



Photo # 11 INTERIOR FRONT

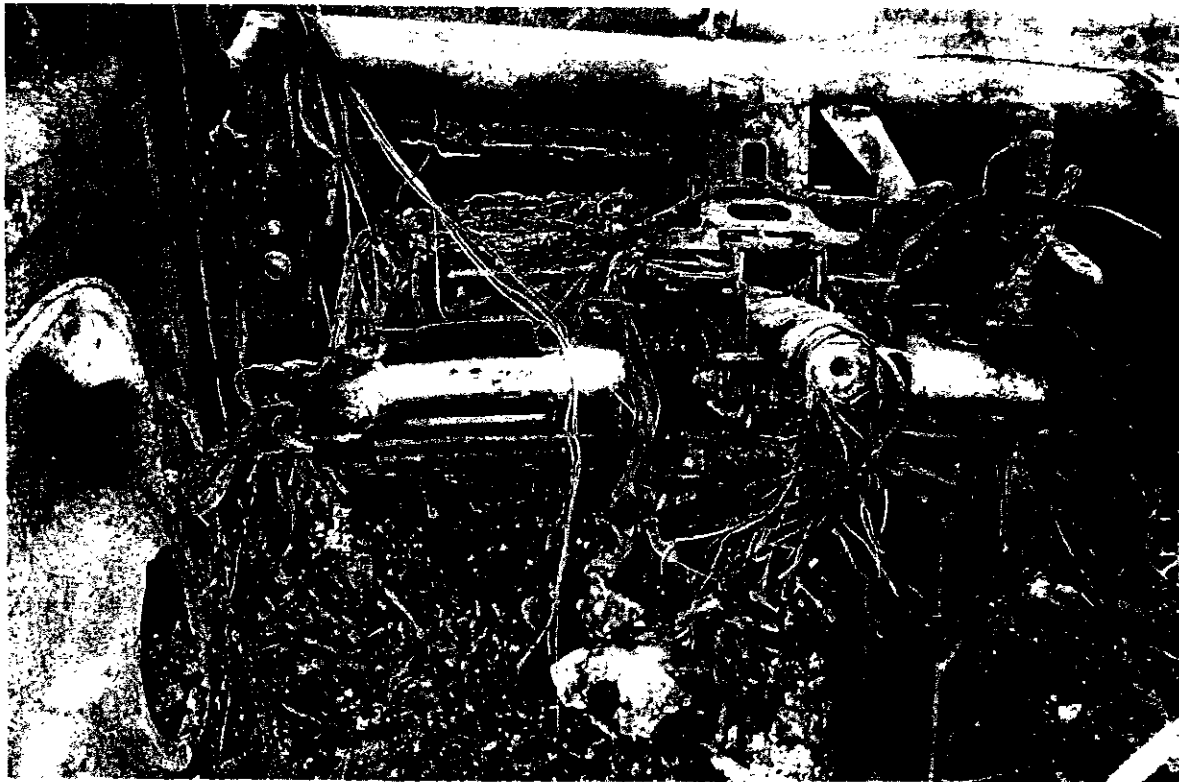


Photo # 12 LEFT SIDE OF DASH

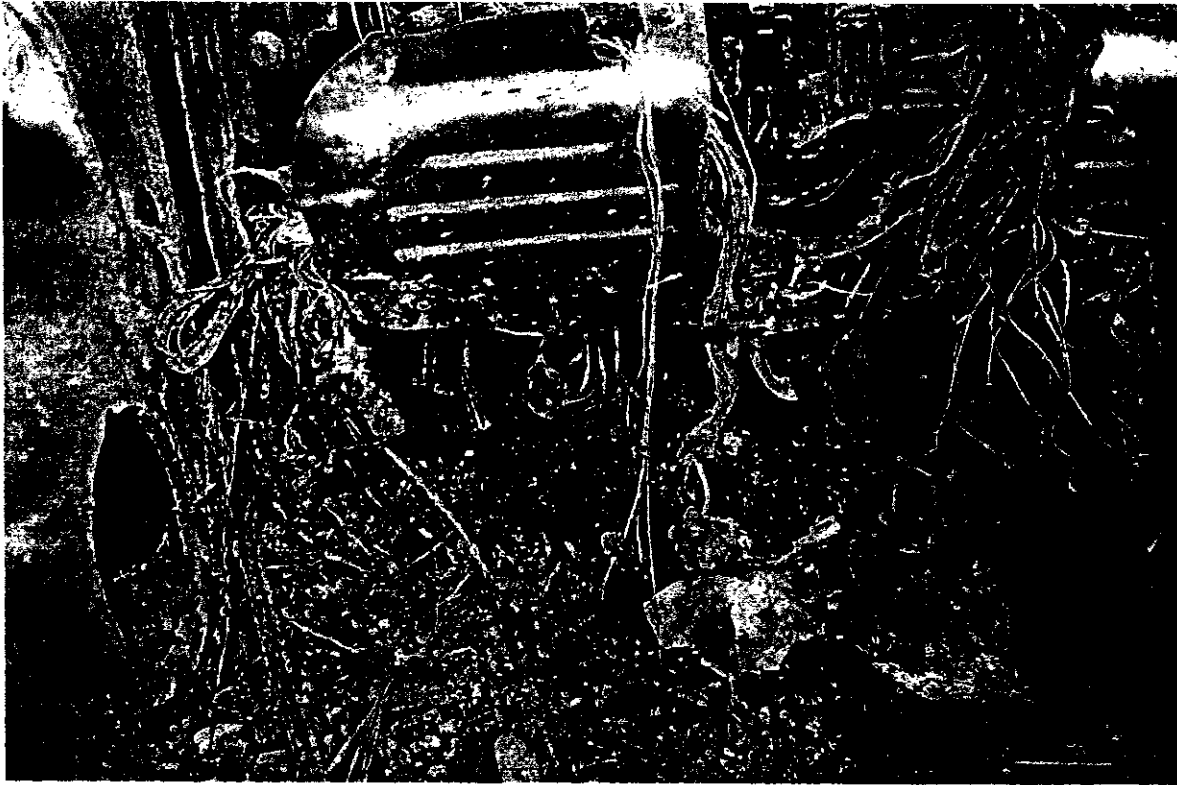


Photo # 13 LEFT LOWER DASH



Photo # 14 CENTER DASH

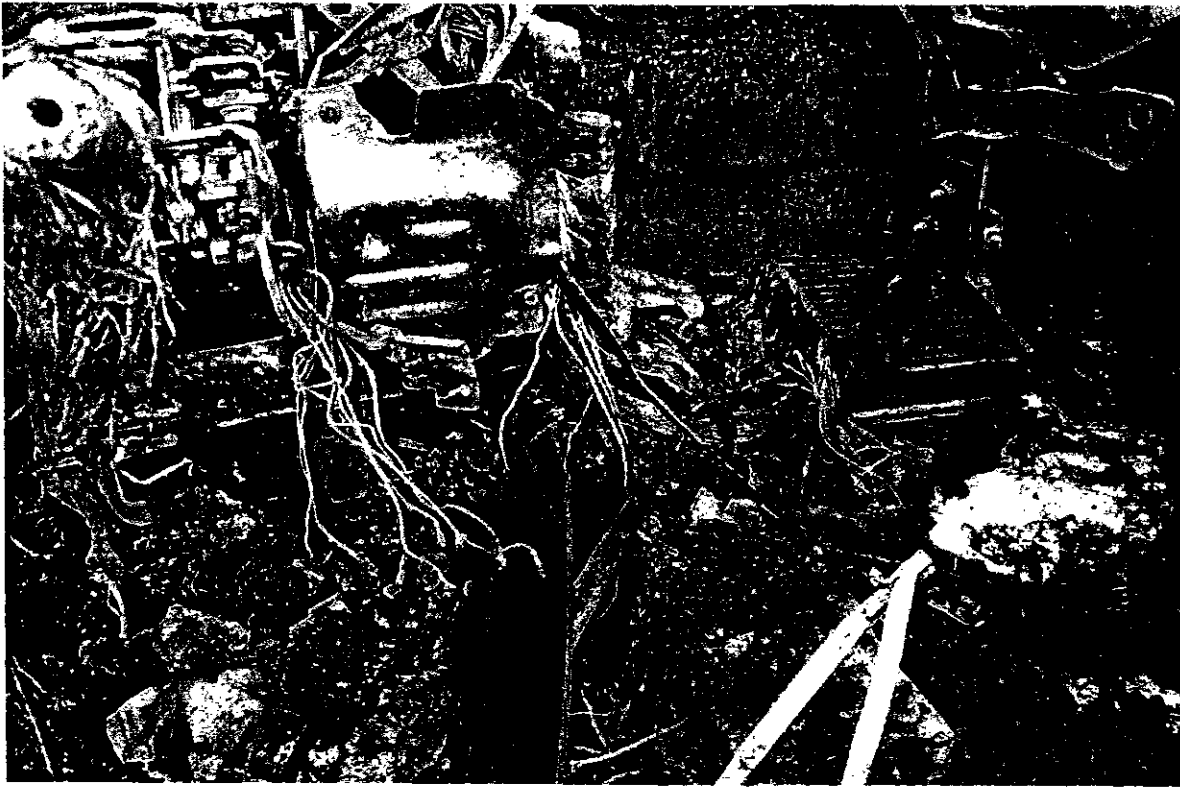


Photo # 15 CENTER LOWER DASH



Photo # 16 INTERIOR REAR